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ER 62-8737

OGC 62-2982

28 November 1962

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Early Retirement Legislation

1. This memorandum contains a recommendation submitted for approval of the Director of Central Intelligence. Such recommendation is contained in paragraph 5.

2. Last August we received Bureau of the Budget clearance and forwarded to the Congress legislation for an improved retirement system. This was subsequently introduced by Mr. Vinson as H. R. 12923, attached as Tab A, and a hearing was held on 28 August 1962 by the full House Armed Services Committee. As a result of the hearing, the Agency was requested to prepare a detailed bill including the specific provisions which in effect were incorporated by reference in the "short form." Copy of the "long form" is attached as Tab B.

3. In the past Congress there were some improvements to the Civil Service Retirement Act and the State Department is now planning to put in amendments to the Foreign Service Retirement Act in the coming Congress. Experience has shown that on the average of once every two years the Foreign Service will secure amendments to the Foreign Service Retirement Act. In order to keep up to date if the CIA "long form" is passed we will, based on experience, be seeking legislation in each succeeding Congress. Also, since on many occasions Foreign Service Act amendments have been secured in the closing days of a session, we can find ourselves in the position of being one year behind.

4. In seeking amendments to keep up to date with Foreign Service, it seems inevitable that in the legislative process some of the words and provisions will be modified so that we may well find that the CIA retirement system is not precisely the same as the Foreign Service System. The Civil Service Commission has indicated their awareness of this problem. It concerns the Commission and the Bureau of the Budget in the sense that neither desires a proliferation of retirement systems which the "short form" would not do. Their concern is linked to an ultimate objective of one retirement system for all civilian employees with special provisions relating to overseas employees.

5. Having the above problems in mind, the question of "long form" versus "short form" was raised on 26 November with Porter Hardy who was

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one of the stronger advocates of the "long form" at the hearing. The results of that discussion are recorded in a memorandum of that date accompanying this memorandum. In essence, Mr. Hardy remained adamant that the Armed Services Committee should have before them the detailed provisions of any retirement system for CIA, i.e., the "long form" bill. At this point it would seem that effort to push through a "short form" bill would cause serious difficulties in the House Armed Services Committee and possibly on the floor later. Since the primary objective is to secure retirement similar to the Foreign Service and the "long form" bill would accomplish this, I recommend that we proceed immediately to secure Bureau of the Budget clearance of a "long form" bill despite the inherent disadvantages. Mr. Houston concurs in this recommendation.

/s/

John S. Warner
Legislative Counsel

Atts - 3
Tab A
Tab B
Memo for the Record dtd 26 Nov 62

The recommendation in paragraph 5 is approved.

1 Dec 1962
Date

/s/ Marshall S. Carter
John A. McCone
Director

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